SUPREME COURT, U. S.
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No. 1053

In the

Supreme Court of the United States

OCTOBER TERM, 1970

FOSTER WHEELER CORPORATION,

Petitioner,

vs.

THE BABCOCK & WILCOX COMPANY,

Respondent.

SUPPLEMENTAL BRIEF and REPLY BRIEF ON FOSTER WHEELER'S PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

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Supplemental Brief Under Rule 24 (5)

Since the time of filing Foster Wheeler's petition herein, the opinion of the Court of Appeals for the Third Circuit has been published in *Montecatini Edison S.p.A.* v. *E. I. duPont de Nemours & Co.* (decided November 10, published December 14, 1970, at 167 U.S.P.Q. 577).

The *Montecatini* decision should be considered by this court, along with the authorities cited in Foster Wheeler's petition herein, because it constitutes the *reductio ad absurdum* of the same court's decision in the present case.

In *Montecatini*, the lower court ordered discovery of documents for use in a Patent Office interference long after the documents could serve any purpose. Du Pont was the party seeking discovery and, admittedly, its only testimony period had expired—so that the documents produced could no longer be offered in evidence by du Pont in the interference. As to this, the Court of Appeals simply abdicated its responsibility to consider the appropriateness of the discovery under the Patent Office rules, as follows (167 U.S.P.Q. at p. 578):

> "We recognize that the appellant may well prove to be correct, in point of fact, and that the production of these documents may prove to have been pointless. If so, appellant will not have been harmed appreciably, since there is no issue of privilege, and since the documents have already been produced. It would be equally pointless for this court to reverse the production order, unless such reversal included a direction to suppress evidence already obtained; but if du Pont has obtained usable information, the order appealed from was clearly correct. In the present posture of this case, the egg simply cannot be unscrambled."

The Court of Appeals went on to cite its earlier decision in the present case as authority for refusing to consider Montecatini's objection that the discovery was untimely. The *Montecatini* case is error compounded. It reinforces the compelling need for this court to exercise its supervisory authority, and instruct the lower courts to recognize that their jurisdiction under 35 U.S.C. § 24 is limited to obtaining evidence for use in the Patent Office—and does not (and should not) include the power to order the taking of evidence which is not only in violation of Patent Office procedures, but is also useless before the agency.

Reply Brief Under Rule 24 (2)

The Brief for Respondent in Opposition filed by B&W is both misleading and inaccurate. B&W has not dealt with the issues actually raised by Foster Wheeler's petition, and B&W discusses issues which are nonexistent.

Thus, B&W says (brief in opposition, p. 3): "There is no interlocutory agency decision involved here." The decisions of the Patent Interference Examiner on May 12 and June 4, 1970 are reproduced at pages 27-31 of Foster Wheeler's petition. The Examiner's decisions are interlocutory; they pointedly deny B&W the right to take discovery prohibited under Patent Office rules; and they were clearly nullified by the lower court's decisions in this case.

Thus, B&W also says that whether the sought-after discovery is "premature" is a moot question (ibid., p. 2). The question is not moot because the discovery has not yet occurred, and because the question is whether the discovery shall be taken in a manner which is consistent with Patent Office procedures or, as in *Montecatini*, in a manner which is not recognized by the Patent Office.

Thus, B&W concedes that "the order of testimony and the scope of inquiry permitted" in an interference are "governed by the Patent Office Rules", but contends that "pre-trial discovery of evidence" is "not covered by such Rules" (ibid., p. 3). The trouble with this argument is that there is no such thing as "pre-trial discovery" in a Patent Office interference. The Examiner has said as much, as follows:

> "the setting of a special period for unrestricted discovery prior to the taking of any testimony by the junior party [B&W] would be a complete nullification of the aforementioned rules [251 and 257, on order and burden of proof]." (Foster Wheeler's petition, p. 28.)

> "To permit the junior party time to seek the senior party's evidence before the junior party presents any evidence relating to his own case would be an improper reversal of the time for taking testimony." (Foster Wheeler's petition, pp. 30-31.)

Thus, B&W also argues that the testimony period is the "last possible opportunity" for discovery "before actual trial" of the interference (brief in opposition, p. 2). But there is no "actual trial" separate from the testimony period. The Patent Office rules permit the taking and offering of evidence only during the testimony period. The administrative proceeding has nothing comparable to the trial in open court under judicial practice. All evidence is submitted in the form of deposition transcripts or upon written motions, and the only hearings permitted are limited to oral argument.

Finally, we should perhaps note B&W's misleading contention that the decision below is supported by a public policy of full disclosure by patent applicants (ibid., p. 4). Contrary to B&W's implications, the issue here is not whether Foster Wheeler is withholding information from the agency. The Patent Office is well aware of B&W's charges of misconduct by one of the Foster Wheeler applicants. Indeed, the Examiner's decisions, quoted above, explicitly recognized the charges and suggested procedures for developing the facts relating thereto. The question here is whether or not the presentation of such evidence in this interference shall be governed by the Patent Office rules and procedures.

The confusion B&W seeks to generate as to the conduct of interferences in the Patent Office obviously had some effect in the lower courts. It should not prevent this court from accepting this case and settling the proper

interpretation, of 35 U.S.C. § 24, so as to restore the proper balance between the courts and the Patent Office. This court should dispel the confusion and answer the District Court judges' requests for guidance (e.g., Foster Wheeler's petition, p. 6). The petition should be granted.

Respectfully submitted,

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January, 1971